



## **Compliance with the European Union (Capital Requirements) Regulations 2014 (“CRD”)**

Capital Requirements Directive (2013/36/EU) (“CRD IV”), the legal basis for implementing Basel III is the European Union (“EU”) came into force on 1 January 2014. Capital Requirements Directive (2013/36/EU) was transposed into domestic law on 31 March 2014 by means of the European Union (Capital Requirements) Regulations 2014 (S.I. 158/2014) (“CRD”) and (S.I. No.710/2020)<sup>1</sup>. Allied Irish Banks, p.l.c. (“AIB”) has been designated as a significant institution under Regulation 64(5) of CRD.

**Regulation 84 of the CRD** requires institutions to explain, on their website, how they comply with the requirements of **Regulations 76 to 83 of CRD**, which relate primarily to governance, remuneration, and reporting as set out below. For the purpose of this report the “Group” or “AIB Group” comprises AIB Group plc, Allied Irish Banks, p.l.c., and its subsidiaries. References to the Management Body should be interpreted as the Board and Board committees. This statement references other publicly available information on the website where practical.

### **1. Governance Framework**

**Regulation 76 and 79 of CRD** set out the requirements for the Management Body including its role, its Chairman, its members, induction and training of members and the number of directorships an individual director may hold.

The Group has a robust governance framework which underpins effective decision-making and accountability and is the basis on which the Group conducts its business and engages with customers and other stakeholders.

#### **Board and Board Committees**

The Group is led by an effective Board collectively responsible for the long-term sustainable success of the Group. The Board sets strategy, risk appetite and internal governance arrangements, and delegates day-to-day management of the Group to the Chief Executive Officer. It is supported by Board Committees including the Audit Committee, Risk Committee, Remuneration Committee, Nomination and Corporate Governance Committee, and Advisory Committees such as the Sustainable Business Advisory Committee and the Technology and Data Advisory Committee.

The matters specifically reserved for decision by the Board and the Terms of Reference for each Board Committee are available at <https://aib.ie/investorrelations/about-aib/corporate-governance>.

#### **Division of Responsibilities**

The governance framework and organisational structure ensures that no one individual has unfettered powers of decision or exercises excessive influence. The Board ensures a clear division of responsibilities between the Chair, who is responsible for Board leadership and effectiveness, and the CEO, who manages the Group’s operations. In addition, independent Non-Executive Directors provide robust oversight of management.

#### **Compliance with Laws and Regulations**

The Board keeps governance arrangements, corporate governance compliance and related policies under review and makes appropriate recommendations to the Board, and to subsidiary

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<sup>1</sup> References to CRD (i.e. Regulation 76) relate to the Statutory Instruments (S.I. 158/2014) (“CRD”) and (S.I. No.710/2020)

boards where appropriate, to ensure corporate governance practices are consistent with best practice and requirements.

### **Board Disclosure and Communications**

The Group ensures transparent communication with shareholders and timely market disclosures in line with Market Abuse Regulations and Stock Exchange Rules. Processes are in place for the review and approval of financial results, the Annual Financial Report, Half-Yearly Financial Report and shareholder circulars, supported by the Board Audit Committee and Group Disclosure Committee.

### **Internal Control**

The Board ensures the Group maintains effective internal control mechanisms—administrative, accounting, IT, human resources and remuneration controls—supported by a comprehensive framework of policies, procedures and standards across financial planning, corporate governance and risk management.

### **Related Party**

A Group Related Party Lending Policy is in place which sets out the process in place to ensure that data on loans to members of the management body alongside any related parties, are captured. The data is documented and appropriately reviewed. A register is maintained and available to the CBI upon request.

### **Nomination and Corporate Governance Committee (“NomCo”)**

NomCo comprises of the Chair of the Board and at least two Independent Non-Executive Directors. It oversees Board composition, succession planning, governance effectiveness, diversity policy and Senior Management appointments, in accordance with CRD requirements. Regarding, the selection and appointment of Senior Management, NomCo reviews the Senior Selection Policy periodically. The NomCo composition is fully compliant with the requirements of CRD. The Board Diversity Policy is publicly available at <https://aib.ie/investorrelations/about-aib/corporate-governance>. A full overview of the duties and responsibilities of the NomCo as set out under CRD, is available in its Terms of Reference at <https://aib.ie/investorrelations/about-aib/corporate-governance>.

Further details as to how the Group complies with the requirements of CRD is set out in **Table 1** below.

### **Code of Conduct and Conflicts of Interest Policy for Directors**

The Board approved Code of Conduct and Conflicts of Interest Policy for Directors sets out how actual, potential or perceived conflicts of interest are to be identified, evaluated, reported and managed to ensure that Directors act at all times in the best interests of the Group and its stakeholders. Executive Directors, as employees of the Group, are also subject to the Group’s Code of Conduct and Conflicts of Interests Policy for employees.

### **Limitations on Directorships under CRD**

AIB routinely reviews the number of external directorships held by Directors, applying relevant exemptions. As at 31 December 2025 all Directors were within CRD limits. Directors have been notified of the limitations on the number of directorships permitted to be held by them under CRD and the need to ensure ongoing compliance in that regard.

### **Fitness & Probity**

AIB complies with the Central Bank of Ireland’s Fitness & Probity regime. Directors attest to their ongoing suitability periodically and disclose any changes in circumstances. Further detail on compliance with Regulations 76 and 79 is set out in the 2025 Annual Financial Report <https://aib.ie/investorrelations/about-aib/corporate-governance> and summarised in **Table 1**.

**Table 1 – Requirements under Regulations 76 and 79**

Governance Arrangements	Annual Financial Report 2025
Board and Board Committees	Page 128
-Role of the Board and Purpose, Culture and Values	Page 128-131
Division of Responsibilities	Page 131
Compliance with Laws and Regulations	Page 121
Board Disclosure and Communications	Page 138
Internal Control	Page 166-167
Board Effectiveness	Page 132
Director Induction, Professional Development and Continuous Education Programme	Page 148
Board Composition and Structure	Page 148
Access to Advice	Page 150
Director’s Time Commitment	Page 150
Director’s Balance and Independence	Page 150
Board Inclusion and Diversity	Page 150
Board Appointments including Fitness and Probity	Page 148
Board Succession Planning	Page 148
Board Skills and Experience	Page 149

## 2. Remuneration

### Remuneration Policy

**Regulations 80–82 S.I. 158/2014** set out the CRD requirements relating to remuneration as set out in Table 2 below. The AIB Group Remuneration Policy aims to reinforce a customer-focused culture, support long-term sustainable value creation, attract, develop and retain talent, and safeguard capital, liquidity and risk positions. It applies across the Group at consolidated and sub-consolidated level. The Policy aligns with the Group’s business and risk strategy and complies with applicable provisions of the UK Corporate Governance Code, Companies Act 2014, CRD, Shareholder Rights Directive II, the Investment Firms Directive, CBI governance requirements, EBA guidelines and ongoing Irish Government restrictions. Pursuant to the requirements of **Regulation 81**, due to the constraints on variable remuneration, certain requirements of the Code and disclosure requirements are not currently applicable to the Group.

The Group Remuneration Policy is available on the Groups website [here](#). Further details in respect of the operation of the Policy and practices are outlined in the 2025 Annual Financial Report which is available on the Group’s website at <https://aib.ie/investorrelations>.

### Policy Governance

The Remuneration Committee (“RemCo”) governs the Policy on behalf of the Board. It oversees policy implementation and effectiveness, Material Risk Taker (“MRT”) identification processes, and the incentive schemes in place. RemCo further ensures that the Remuneration Policy and practices are reviewed at least annually, considering the alignment of remuneration to the Group’s culture for all employees and executive directors. Policy oversight is supported by the Group Risk, Compliance and Internal Audit functions to ensure that remuneration policies and practices are operating as intended, are consistently applied across the Group and are compliant with regulatory requirements. MRTs attest annually that they will not undermine the risk-alignment effects of their remuneration. The RemCo’s governance role in this respect is outlined in its Terms of Reference, which are available on the Group’s website at <https://aib.ie/investorrelations/about-aib/corporate-governance>.

The Group publishes further remuneration disclosures in its annual Pillar 3 Report, covering risk alignment, remuneration structure, governance and quantitative MRT data at <https://aib.ie/investorrelations>. This includes:

- The bodies that oversee remuneration.
- The design and structure of the remuneration system for those individuals who have been identified as MRTs.
- The ways in which current and future risks are considered in remuneration processes.
- The ratios between fixed and variable remuneration, which are set in accordance with the regulatory requirements.
- The ways in which the Group seeks to link performance and remuneration.
- The ways in which the Group seeks to adjust remuneration to take account of long-term performance.
- The main parameters and rationale for the variable remuneration scheme for which MRTs are eligible and the use of derogations in Article 94(3) of the CRD.

These disclosures also include quantitative information, in aggregate form, about the amounts and structure of the remuneration of MRTs.

**Table 2**

Governance Arrangements	Annual Financial Report 2025	AIB Group Remuneration Policy
Remuneration Policy & Governance	Page 155	Section 1 & Section 14
Sound and Effective Risk Management	Page 155	Section 1 & Section 5
Requirements for Institutions that benefit from government intervention	Page 156	Section 6
Remuneration Structure – Fixed & Variable Remuneration	Page 157 & 158	Section 8
MRT Identification and Risk Oversight	Page 163	Section 9
Employees in Control Functions	-	Section 10
Sign-On Payments & Guaranteed Variable Remuneration	Page 159	Section 11
Severance Payments	Page 159	Section 12
Malus and Clawback arrangements	Page 160	Appendix 1

### Remuneration Committee

**Regulation 83 of CRD** sets out the requirements under CRD for Remuneration Committees. The RemCo comprises of at least three Independent Non-Executive Directors.. The RemCo composition is fully compliant with CRD. RemCo operates under the principle that no individual participates in decisions regarding their own remuneration.

A full overview of the duties and responsibilities of the RemCo as set out under CRD, is available in its Terms of Reference at <https://aib.ie/investorrelations/about-aib/corporate-governance>.

### 3. Reporting

#### Country-by-country reporting

In accordance with **Regulation 77**, AIB publishes its country-by-country report in the AIB plc Annual Financial Report (pages 338–341) at <https://aib.ie/investorrelations/about-aib/corporate-governance>.

#### Public disclosure of return on assets

AIB complies with **Regulation 78**. Disclosure of return on average total assets is included on page 40 of the AIB Group plc 2025 Annual Financial Report <https://aib.ie/investorrelations/about-aib/corporate-governance>.